

Figure 1: The Main Graph shows the stock's trend.

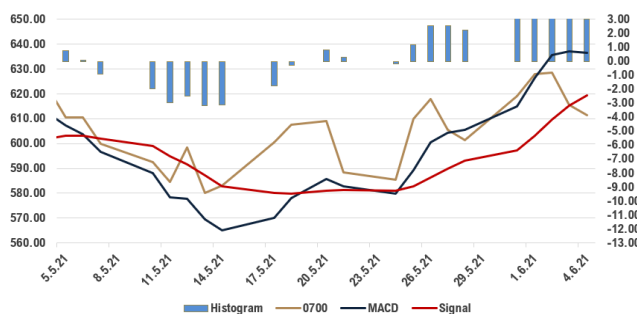


Figure 2: MACD indicates a potential buy signal

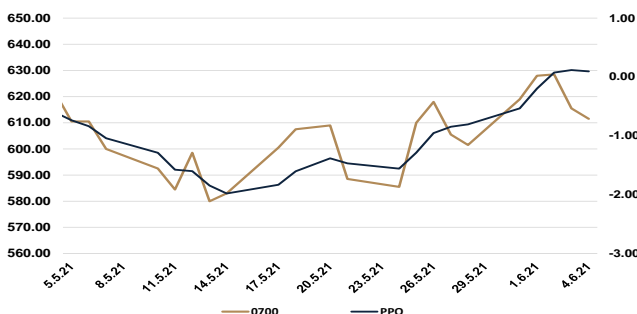


Figure 3: PPO is above zero line

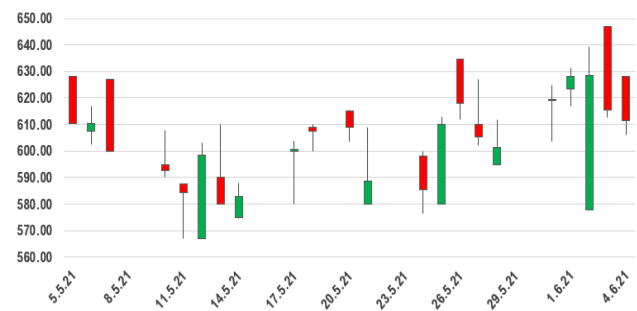


Figure 4: Candle Bar shows more positive changes

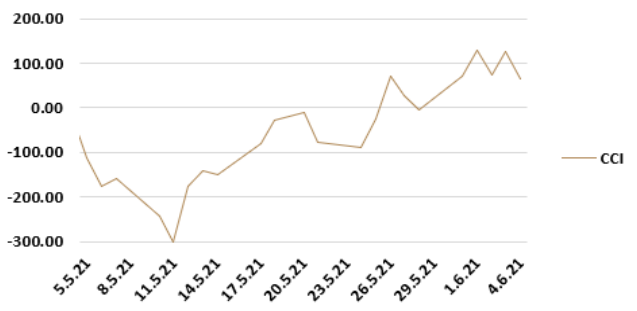


Figure 5: CCI Indicator is above + 100 level

Firm's Brief Description

Tencent Holdings Limited is an investment holding company principally involved in the provision of value-added services (VAS) and online advertising services. The Company operates through three main segments. The VAS segment is mainly involved in provision of online/mobile games, community value-added services and applications across various Internet and mobile platforms. The Online Advertising segment is mainly engaged in display based and performance based advertisements. The Others segment is mainly involved in provision of payment related services, cloud services and other services.

Fundamental Approach

- Tencent Q1 profit rises 65% as online gaming revenue climbs.
- Revenue rose 25% to 135.3 billion yuan, versus market expectations of 134.39 billion yuan.
- Tencent reported that revenue from online games grew by 17%.
- Tencent expanded their key activities and services making them gain combined in MAU of Weixin and WeChat 1.24 billion.

Technical Analysis

According to Figure 1, the 10-day MA crossed above the 20-day MA providing a potential buy signal. In Figure 2, MACD crossed above the signal indicating a bullish trend of the stock. In the figure 3, the PPO surpassed the zero line, indicating an uptrend. Moreover, the Candle Chart showed the positive changes have been more than the negatives and that provides a bullish trend. Lastly, CCI indicates a buying signal as it hits the + 100 level.

Prediction

Considering the recent stock trend combined with the latest news about 0700.HK's agreements with CFIUS in allowing it to keep its stake ownership in Riot Games and Epic Games, a long position in the stock is recommended. This position is further supported by the technical analysis provided in the above paragraph, as the figures cited in this report show a bullish path of the Tencent Holdings stock.

DISCLAIMER

THE FINANCE CLUB OF UNIVERSITY OF MACEDONIA, THESSALONIKI, GREECE

The Finance Club of University of Macedonia - www.financeclub.gr is an independent non-profitable student organization founded by students of the University of Macedonia, Greece (UoM - www.uom.gr) that aims to build strong relations between the market and the University. Though based in the University of Macedonia, it also operates via associates in Aristotle University of Thessaloniki, Greece and other institutions. The Club's goal is to give its members the chance to view the market in a more practical approach rather than solely relying on the abstract knowledge offered by the university. In order to achieve this goal, the Club organizes various events like conferences, workshops and seminars. Moreover, its members are able to cooperate with companies by taking up real case projects to work on along with the managers of the associated companies. In addition, the Club is trying to build and expand its network among students, market professionals and professors therefore giving its members a very broad pool of potential partners and employers.

This report has been compiled by the authors mentioned above and published by them via the Finance Club UoM site and many other platforms. The club confirms that the authors are active members at the time this article is published but emphasizes the fact that opinions and views given by the authors in this article are their own views. Finance Club UoM takes no responsibility for the completeness or correctness of information provided. No investment advice is given with the text above and the reader should not take any financial position based on the information published in this article. The Club recommends extensive research by the reader before investing in any financial asset. General this report may be based on the information extracted from various sources including but not limited to various companies' and statistical agencies' websites, online portals, third-party research, annual reports etc. No representation or warranty of any kind is or may be made with respect to the accuracy or completeness of, and no representation or warranty should be inferred from, any projections or futuristic statement contained herein or any underlying assumptions. This article may include descriptions, statements, estimates and projections/futuristic statements with respect to current and anticipated performance of the underlying. Such statements, estimates and projections reflect various assumptions and best estimates made by the participants concerning anticipated results, whose assumptions and estimates may or may not prove to be accurate or correct. There are no assurances whatsoever that any statements, estimates or projections contained in this article, including without limitation any financial or business projections, accurately present in all material respects the underlying's financial and/or business position as of the respective dates specified and the results of its operations for any respective periods indicated. No copyright or trademark infringement is intended in any form.

© Copyright 2020. Finance Club UoM